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RUEHKA/AMEMBASSY DHAKA PRIORITY 0902
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3719
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RUEHCI/AMCONSUL KOLKATA PRIORITY 3171
RUEHGV/USMISSION GENEVA PRIORITY 1524
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2437
RHEFDIA/DIA WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000407

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TAGS: [PREL](#) [PGOV](#) [PREF](#) [PTER](#) [NP](#)

SUBJECT: NEPAL: INDIAN AMBASSADOR WORRIED ABOUT KING,
TERAI; GLAD ABOUT BHUTANESE REFUGEES

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

11. (C) Indian Ambassador Mukherjee told the Ambassador February 21 that King Gyanendra's speech on Democracy Day reflected the monarch's increasingly deliberate efforts to interfere with Nepal's democratic transition and derail the Constituent Assembly (CA) elections. Mukherjee said that the Seven-Party Alliance and the Maoists planned to meet to discuss whether to endorse allowing the interim parliament to decide the fate of the monarchy rather than awaiting a Constituent Assembly vote. Both Ambassadors agreed that the fate of the monarchy was for the people of Nepal to decide. That said, ties to this particular King and Crown Prince looked increasingly like political suicide for the Prime Minister. The Ambassadors concurred that inclusive talks were needed between the Government and the growing number of marginalized groups expressing frustration with the unfolding peace process in order to chart an acceptable way forward. The Ambassador informed Mukherjee about the PM's decision to allow third country resettlement of Bhutanese refugees. Mukherjee replied that he would see whether New Delhi were willing to quietly reassure the GON that India would not be a party to future expulsion from Bhutan.

King Has Evil Intentions

12. (C) Mukherjee said the King's Democracy Day speech on February 19, in which he defended his decision to dissolve the government and assume direct power in February 2005, was not just a blunder but a deliberate effort to derail the Constituent Assembly election process; the King feared that a CA's first act would be to abolish the monarchy. Saying the King had "evil intentions," Mukherjee postulated that Gyanendra would cause as much trouble as possible in the lead-up to elections. Mukherjee stated that the SPA and the Maoists planned to meet soon to discuss how to deal with the issue of the monarchy. While the current Interim Constitution dictated that the fate of the monarchy would be decided in the first session of the Constituent Assembly, Mukherjee said the parties might try amend it to allow the Interim Parliament to decide if it so chose. Mukherjee said

such action would be a shot across the King's bow.

Abdication May Be Best Option

¶3. (C) Both Ambassadors referenced recent meetings with Prime Minister Koirala in which they reiterated their countries' neutral stances on the future of the monarchy, saying that it was up to the people of Nepal to decide the fate of the King.

The Ambassador had advised the Prime Minister that if he envisioned a future role for the institution of the monarchy, then he should encourage the King and his son to abdicate. Ambassador Mukherjee noted that visiting Foreign Minister Mukherjee had recently stressed to the PM that for his own political survival, he may not want to "become isolated" by supporting a ceremonial monarchy.

Army Should Be Wary of Ties to King

¶4. (C) Mukherjee expressed concern about the Nepal Army's (NA) relationship with the monarchy. While Army Chief of Staff Rukmangud Katawal said the right things publicly, Mukherjee had heard of meetings between top generals to discuss the NA's potential role in protecting the King. The Ambassador said he would plan a meeting with Katawal to emphasize again that it would be in the best interest of the Army, if it hoped to flourish as a democratic institution, to separate itself from association with the monarchy.

Talks Needed with Marginalized Groups

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¶5. (C) The Ambassadors agreed that inclusive talks were needed between the GON and the growing number of agitating marginalized groups, including Madhesis and Janajatis, that were frustrated with the unfolding peace process and planned electoral system. Mukherjee said the Prime Minister was determined not to give into the Madhesi demand to fire Home Minister Krishna Prasad Sitaula because of the potential precedent it would set.

Maoist Behavior: No Significant Improvement

¶6. (C) Mukherjee acknowledged that he had seen no significant improvement in Maoist behavior, citing continued Maoist intimidation and extortion. When it was rumored that the Maoists would be given the position of Foreign Minister, Mukherjee had made it clear to the PM that a Maoist Foreign Minister would be unacceptable to the Indians and the majority of the international community. Mukherjee emphasized the importance of giving the Maoists the clear message that, if they engaged in intimidation in the lead-up to elections, international observers would be witnesses. These observers could make clear and public judgments on the credibility and acceptability of election results. Mukherjee said his current orders were to not have contact with the Maoists without clear instructions from New Delhi. The Ambassadors agreed that the Maoists continued to be tied to the process and that Maoist Supremo Prachanda was not likely to stray back into armed insurgency. Ambassador Mukherjee also noted that the Madhesis were chasing Maoists out of the eastern Terai, setting back Maoist hopes for absolute power.

Mukherjee Still Focused on June Elections

¶7. (C) Mukherjee said he was still pushing the GON to focus on mid-June elections. A delay, Mukherjee said, could lead to more mischief on the part of the extreme right (the King) and extreme left (the Maoists).

India Can Provide Quiet Support on Bhutanese Refugees

¶18. (C) The Ambassador told Mukherjee that PM Koirala had endorsed third country resettlement for Bhutanese refugees. Mukherjee warmly welcomed this development expressing hope that it could help resolve a festering sore. The Ambassador asked whether the GOI could in any way help allay Nepali concerns about the possibility of future expulsions from Bhutan. Mukherjee replied that, while India could not say or do anything publicly, he would press New Delhi to consider quietly assuring the GON that India would not be a party to future expulsions.

Comment

¶19. (C) The prospects for a positive, or even neutral, role for the King in Nepal's transition to democracy look bleak. All indications are that the current King and Crown Prince would have to abdicate for the institution to have any hope of survival. We will continue to reiterate U.S. policy that the future of the monarchy is a question for the Nepali public to decide, while reinforcing to the GON the political liability of association with the King. India's support will be vital in moving the process of resettlement of Bhutanese refugees forward over the coming months. Mukherjee's agreement to seek assurances from New Delhi that India would not be party to further expulsions is promising.
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